



Ninety-Seventh Legislature - Second Session - 2002
Committee Statement
LB 1131

Hearing Date: January 28, 2002

Committee On: Transportation and Telecommunications

Introducer(s): (Bromm, Baker, Brown, Byars, Jones, Dw. Pedersen)

Title: Change motor vehicle dealer franchise's community restrictions

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

8 Yes Senators Jones, Baker, Robak, Dw. Pedersen, Byars, Hudkins,
Brown and Bromm

No

Present, not voting

Absent

Proponents:

Senator Curt Bromm

Loy Todd

Paul O'Hara

Representing:

23rd District

Nebraska New Car & Truck Dealers

Alliance of Automobile Manufacturers

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

In response to Honda Cars of Bellevue v. American Honda Motor Co. (261 Neb. 923) this bill defines a default area of community or exclusive franchise area in a franchise agreement for car dealerships if there is no pre-established definition in the agreement itself.

Language in §60-1407(3) is expanded with a new subsection (d) that states that if the franchise agreement is silent on the issue, the "community of the franchise" is the county of location if the franchise is not in a city of the metropolitan class. If the franchise is in a city of the metropolitan class, the "community of franchise" shall be a

five mile radius from the dealership. §60-1407(5) includes “grandfather language” to ensure that this law would only apply to future franchise locations, not currently established businesses.

The bill also expands the Nebraska franchise law exclusivity provisions from just the dealership to now include a consumer care or service facility.

Explanation of amendments, if any:

Changes language referring to a “consumer care or service facility” to “warranty repair service facility.”

Senator Curt Bromm, Chairperson